

State Aid to Fairs

Department of Natural Resources – Program 6

I. PROGRAM OBJECTIVES

The Department grants funds to agricultural and industrial fair associations incorporated under the laws of the state to assist in the payment of (1) costs of operation and maintenance and (2) the project costs for capital improvements of annual agricultural and industrial fairs (AS 03.20.010).

II. PROGRAM PROCEDURES

The Department reviews and approves applications for fairs, which may be held each year in each house election district. State aid for the operation and maintenance of fairs does not exceed a basic grant of \$10,000; however, fairs in existence five years or longer may receive an incremental grant not to exceed \$2,500 per year of existence to a maximum of \$75,000 (AS 03.20.020). The Department may also approve grant applications for operation and maintenance to qualified applicants (AS 03.20.020(b)).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED

Compliance Requirements

If an association has received state operation and maintenance funds under this program and fails to hold a fair in accordance with the grant agreement or does not disburse all of the state funds paid to it for that purpose, the association shall return those funds, or the unexpended portions, to the Department within 60 days after the date of the fair.

If an association has received state capital improvement funds under this program and fails to expend them within five years for capital improvements designated in its long-term capital improvement plan in effect at the time of the grant, the Commissioner may, after investigation, require that the unexpended funds be returned to the department.

Suggested Audit Procedures

- Verify fair dates and determine status of expenditures.
- Determine whether unexpended funds are eligible to be returned to the Department.

B. ELIGIBILITY

The auditor is not expected to determine participant eligibility.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS,

Compliance Requirements

For the purposes of matching state fair aid allocations, a fair whose local resources are not sufficient to match dollar for dollar may, in preparing its annual report, place a reasonable itemized monetary value on donated labor, materials, and equipment used in the construction, repairing and maintenance of fairgrounds, buildings and facilities in place of dollars matching up to 50 percent of its annual requests.

Premiums and prizes that qualify for listing for allocation purposes shall be those paid for exhibits and educational contests, displays, and demonstrations of an educational nature. This does not include contests, parades, dances, rodeos or races.

The fair shall submit with the application a planned program of operation and maintenance of the proposed fair, the rules and regulations governing the fair, and a certificate signed by the president and secretary of the association, certifying that the association will spend for the proposed fair, a sum of money from their own funds equal in the amount to the funds received.

A sum equal to at least 25 percent of the state operation and maintenance aid received under this chapter shall be used for premiums or transportation cost of exhibits.

Suggested Audit Procedures

- Evaluate the value of in-kind services, local dollars spent, and premiums paid to determine that matching requirements were met.

D. REPORTING REQUIREMENTS

Compliance Requirements

Each association receiving state operation and maintenance aid shall furnish receipts for expenditures. Each association shall furnish a statement executed and acknowledged by the president and secretary, covering the disbursements by the association for all operation and maintenance funds. Each association is required to make a full report of receipts and expenditures, including sums expended for prizes and awards to the Department.

Suggested Audit Procedures

- Determine that required reports were submitted.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and provisions.

Modified 5/98